Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

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PAGE 01 STATE 232394
ORIGIN EUR-12

INFO OCT-01 ISO-00 EB-08 SMS-01 SS-15 CAB-02 CIAE-00
COME-00 DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00
L-03 SSO-00 INRE-00 NSCE-00 /052 R

DRAFTED BY EUR/RPE:P LAASE:NN
APPROVED BY EUR:G S VEST
EUR/RPE:R M BEAUDRY
EUR/EE:R A BRADTKE
EB/OA:M STYLES
S/MS:C W KAMMAN
D:J W SPIEGEL -
E:D PLANTY
EUR/SOV:J TREICHEL
----------125885 132306Z /12
O R 132218Z SEP 78
FM SECSTATE WASHDC
TO AMEMBASSY BELGRADE IMMEDIATE
AMEMBASSY BUCHAREST IMMEDIATE
AMEMBASSY BUDAPEST IMMEDIATE
AMEMBASSY MOSCOW IMMEDIATE
AMEMBASSY PRAGUE IMMEDIATE
INFO AMEMBASSY ANKARA
AMEMBASSY BONN
AMEMBASSY THE HAGUE
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY VIENNA
AMEMBASSY WARSAW

C O N F I D E N T I A L STATE 232394

E.O. 11652: GDS

TAGS: EAIR, XH
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SUBJECT: SUSPENSION OF PAN AM SERVICES

REF: A) STATE 226651 B) STATE 227264 (NOTAL)
C) STATE 214394

1. AFTER CAREFUL CONSIDERATION OF ALL FACTORS, INCLUDING

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ACTION ADDRESSEE'S VIEWS SUBMITTED LAST WEEK, THE ACTING SECRETARY DECIDED THAT THE DEPARTMENT SHOULD NEITHER SEEK TO PERSUADE PAN AM TO CHANGE ITS MIND NOR ADVISE THE CAB (WHICH MUST APPROVE PAN AM'S REQUEST TO SUSPEND SERVICES) THAT WE OPPOSE THE SUSPENSIONS. THE ACTING SECRETARY, HOWEVER, IS SENDING A LETTER TO THE CAB URGING THE BOARD TO INVITE APPLICATIONS FROM OTHER US AIRLINES TO SERVE MOSCOW AND POINTS IN EASTERN EUROPE.

2. PAN AM'S DECISION WAS BASED ENTIRELY ON ECONOMIC FACTORS. AS INDICATED REF. A, PAN AM BELIEVES ITS LIMITED RESOURCES CAN BE BETTER EMPLOYED ON OTHER ROUTES. IT WOULD BE INCONGRUOUS FOR THE USG TO COMPEL PAN AM TO CONTINUE SERVICES WHICH IT BELIEVES ARE UNPROFITABLE IN THE LIGHT OF US POLICY, RECENTLY CONFIRMED BY THE PRESIDENT (REF. C), OF ENCOURAGING AIRLINE COMPETITION AND REDUCING GOVERNMENTAL INTERVENTION IN THE MARKETPLACE.

PAN AM DID NOT CONSULT WITH THE USG BEFORE MAKING AND ANNOUNCING ITS DECISION. AS OUR PRESS GUIDANCE (REF. B) STATES, PAN AM'S DECISION SHOULD NOT BE INTERPRETED AS A POLITICAL SIGNAL; NONE WAS INTENDED.

3. UNLESS OBJECTIONS ARE PERCEIVED, ACTION ADDRESSEES SHOULD APPROACH APPROPRIATE HOST GOVERNMENT FOREIGN MINISTRY OFFICIALS, INFORM THEM OF THE USG POSITION ON CONFIDENTIAL

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PAN AM'S DECISION TO SUSPEND SERVICE ON OR ABOUT OCTOBER 29, 1978, MAKING FOLLOWING ORAL PRESENTATION:
-- PAN AM'S DECISION TO SUSPEND SERVICE WAS BASED ENTIRELY ON ECONOMIC FACTORS. THE COMPANY STRONGLY BELIEVES THAT ITS RESOURCES CAN BE MORE PROFITABLY EMPLOYED ON OTHER ROUTES.

-- THE PAN AM DECISION IS ENTIRELY CONSISTENT WITH THE PRESIDENT'S INTERNATIONAL AVIATION POLICY OF ENCOURAGING AIRLINE COMPETITION AND REDUCING GOVERNMENTAL INTERFERENCE IN THE MARKETPLACE.

-- PAN AM DID NOT CONSULT WITH THE USG BEFORE MAKING AND ANNOUNCING ITS DECISION TO SUSPEND SERVICES.

-- THE DEPARTMENT OF STATE HAS WRITTEN TO THE CAB URGING THE BOARD TO INVITE OTHER US AIRLINES TO APPLY TO SERVE THESE POINTS. WE BELIEVE THE BOARD WILL DO SO.

-- WHILE WE CANNOT PREDICT THE RESPONSE OF OTHER US AIRLINES TO A CAB INVITATION TO APPLY TO SERVE THESE POINTS, IT SHOULD BE RECOGNIZED THAT THE AIRLINES'

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EVALUATION OF THE CLIMATE FOR CONDUCTING BUSINESS IN THE HOST COUNTRY, AS WELL AS THE POTENTIAL PROFITABILITY OF THE SERVICE, WILL BE IMPORTANT FACTORS IN THEIR DECISION.

-- WE TRUST IT IS APPARENT THAT THERE IS NO UNDERLYING POLITICAL BASIS FOR THE PAN AM DECISION OR FOR THE USG REACTION TO THAT DECISION.

4. INFO ADDRESSEES MAY DRAW ON ABOVE TALKING POINTS IF SUBJECT IS RAISED BY HOST GOVERNMENT OFFICIALS.

5. FOR MOSCOW: SUSPENSION OF PAN AM SERVICES RAISES SEVERAL ADDITIONAL QUESTIONS, SUCH AS STATUS OF PAN AM'S ROLE AS AEROFLOT'S TICKET AND GROUND HANDLING AGENT IN
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US AND FREQUENCY AGREEMENT AFTER MARCH 1979. IF SOVIETS

RAISE THESE QUESTIONS, EMBASSY SHOULD RESPOND THAT US RECOGNIZES THOSE QUESTIONS MUST BE ADDRESSED, BUT IT IS PREMATURE TO DO SO UNTIL INTEREST OF OTHER US AIRLINES IN SERVING USSR HAS BEEN ASCERTAINED. CHRISTOPHER

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PAGE 01 STATE 232394
ORIGIN EUR-12

INFO OCT-01 ISO-00 /013 R

66011
DRAFTED BY:EUR/RPE:WHDAMERON:CFS
APPROVED BY:EUR/RPE:WHDAMERON
----------109016 221749Z /43
R 220825Z SEP 78
FM SECSTATE WASHDC
INFO USMISSION USNATO 9363

C O N F I D E N T I A L STATE 232394

FOLLOWING REPEAT STATE 232394 SENT ACTION BELGRADE BUCHAREST BUDAPEST MOSCOW PRAGUE INFO ANKARA BONN THE HAGUE LISBON

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LONDON PARIS VIENNA WARSAW SEP 13.

QUOTE C O N F I D E N T I A L STATE 232394

E.O. 11652: GDS

TAGS: EAIR, XH

SUBJECT: SUSPENSION OF PAN AM SERVICES

REF: A) STATE 226651 B) STATE 227264 (NOTAL)
C) STATE 214394

1. AFTER CAREFUL CONSIDERATION OF ALL FACTORS, INCLUDING ACTION ADDRESSEE'S VIEWS SUBMITTED LAST WEEK, THE ACTING SECRETARY DECIDED THAT THE DEPARTMENT SHOULD NEITHER SEEK TO PERSUADE PAN AM TO CHANGE ITS MIND NOR ADVISE THE CAB (WHICH MUST APPROVE PAN AM'S REQUEST TO SUSPEND SERVICES) THAT WE OPPOSE THE SUSPENSIONS. THE ACTING SECRETARY, HOWEVER, IS SENDING A LETTER TO THE CAB URGING THE BOARD TO INVITE APPLICATIONS FROM OTHER US
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AIRLINES TO SERVE MOSCOW AND POINTS IN EASTERN EUROPE.

2. PAN AM'S DECISION WAS BASED ENTIRELY ON ECONOMIC FACTORS. AS INDICATED REF. A, PAN AM BELIEVES ITS LIMITED RESOURCES CAN BE BETTER EMPLOYED ON OTHER ROUTES. IT WOULD BE INCONGRUOUS FOR THE USG TO COMPEL PAN AM TO CONTINUE SERVICES WHICH IT BELIEVES ARE UNPROFITABLE IN THE LIGHT OF US POLICY, RECENTLY CONFIRMED BY THE PRESIDENT (REF. C), OF ENCOURAGING AIRLINE COMPETITION AND REDUCING GOVERNMENTAL INTERVENTION IN THE MARKETPLACE.

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3. UNLESS OBJECTIONS ARE PERCEIVED, ACTION ADDRESSEES SHOULD APPROACH APPROPRIATE HOST GOVERNMENT FOREIGN MINISTRY OFFICIALS, INFORM THEM OF THE USG POSITION ON PAN AM'S DECISION TO SUSPEND SERVICE ON OR ABOUT OCTOBER 29, 1978, MAKING FOLLOWING ORAL PRESENTATION:
-- PAN AM'S DECISION TO SUSPEND SERVICE WAS BASED ENTIRELY ON ECONOMIC FACTORS. THE COMPANY STRONGLY BELIEVES THAT ITS RESOURCES CAN BE MORE PROFITABLY EMPLOYED ON OTHER ROUTES.

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PRESIDENT'S INTERNATIONAL AVIATION POLICY OF ENCOURAGING AIRLINE COMPETITION AND REDUCING GOVERNMENTAL INTERFERENCE IN THE MARKETPLACE.

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-- WHILE WE CANNOT PREDICT THE RESPONSE OF OTHER US AIRLINES TO A CAB INVITATION TO APPLY TO SERVE THESE POINTS, IT SHOULD BE RECOGNIZED THAT THE AIRLINES' EVALUATION OF THE CLIMATE FOR CONDUCTING BUSINESS IN THE HOST COUNTRY, AS WELL AS THE POTENTIAL PROFITABILITY OF THE SERVICE, WILL BE IMPORTANT FACTORS IN THEIR DECISION.

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NOTE BY OC/T: ORIGINAL DIST: EUR/ISO,EB,SMS,SS,AVIA,SSO,INRE,NSCE.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIR ROUTES, AIR SCHEDULES
Control Number: n/a
Copy: SINGLE
Draft Date: 13 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE232394
Document Source: CORE
Document Unique ID: 00
Drafter: P LAASE:NN
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780373-0096
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780970/aaaacfrt.tel
Line Count: 266
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 93ec5751-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 226651, 78 STATE 227264
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1447019
Secure: OPEN
Status: NATIVE
Subject: SUSPENSION OF PAN AM SERVICES
TAGS: EAIR, XH, PANAM
To: BELGRADE BUCHAREST MULTIPLE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/93ec5751-c288-dd11-92da-001cc4696bcc
Review Markings:
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US Department of State
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